

## Message Text

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PAGE 01 BRASIL 05769 141413Z  
ACTION ARA-14

INFO OCT-01 ISO-00 ARAE-00 EB-07 SSO-00 FPC-01 ERDA-05  
OES-07 FEAE-00 AID-05 L-03 USIE-00 CIAE-00  
DODE-00 INR-07 NSAE-00 PA-01 PRS-01 SP-02 INRE-00  
/054 W

-----051887 141418Z /40

O 141220Z JUL 77  
FM AMEMBASSY BRASILIA  
TO SECSTATE WASHDC IMMEDIATE 2717  
INFO AMEMBASSY ASUNCION IMMEDIATE  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO  
AMEMBASSY BUENOS AIRES IMMEDIATE

C O N F I D E N T I A L BRASILIA 5769

E.O. 11652: GDS  
TAGS: ENRG EAID PA  
SUBJ: GOP REQUEST FOR SERVICES OF CONSULTANT ON ELECTRIC POWER

REF: ASUNCION 2861 (NOTAL)

1. WE HAVE NOTED EMBASSY ASUNCION'S RECOMMENDATION THAT  
USG URGENTLY EXPLORE AVAILABILITY OF US SPECIALIST IN HYDRO-  
ELECTRIC POWER TO GIVE TECHNICAL ADVICE ON POSSIBLE CHANGE-  
OVER OF PARAGUAY'S ELECTRIC POWER NETWORK TO 60 CYCLES.  
WHILE WE APPRECIATE COMMERCIAL AND OTHER CONSIDERATIONS IN  
FAVOR OF RECOMMENDATION, WE QUESTION DESIRABILITY OF USG  
APPEARING TOO DIRECTLY INVOLVED IN THIS ISSUE.

2. GOP'S DECISION, ON CYCLE CHANGEOVER IS BEING CLOSELY  
WATCHED IN BRAZIL AND, WE BELIEVE, NEIGHBORING COUNTRIES  
AND THUS, LIKE ITAIPU ITSELF, HAS ACQUIRED HIGHLY POLITICAL  
OVERTONES AS REPORTED IN PREVIOUS MESSAGES FROM ASUNCION  
AS WELL AS THIS EMBASSY. CHANGE-OVER TO 60 CYCLES, ALTHOUGH  
IT IS IN FACT A MERELY TECHNICAL MATTER, IS ALREADY BEING  
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DISCUSSED IN THE PRESS AS A FURTHER STEP IN INTEGRATING PARAGUAY  
INTO SOUTHERN BRAZIL'S BOOMING ECONOMY AND SHIFTING THE CYCLE  
PROBLEM TO POSSIBLE FUTURE PARAGUAY-ARGENTINE CORPUS CHRISTI  
PROJECT WHOSE ECONOMIC ATTRACTIVENESS IS ALREADY REDUCED BY BRAZILIAN  
STAND ON ITAIPU. HIGH-LEVEL BRAZILIANS EXPECT THAT  
ECONOMICS WILL COMPEL PARAGUAY TO OPT FOR 60 CYCLE  
APPROACH. THERE HAVE BEEN REPORTS IN BRAZILIAN PRESS THAT

GOP ALREADY HAS BEFORE IT A TECHNICAL REPORT RECOMMENDING  
CONVERSION TO 60 CYCLES.

3. RECOMMENDATION BY TECHNICAL EXPERT SEEN AS BEING  
SPONSORED BY USG COULD HAVE ADVERSE EFFECTS ON OUR BILATERAL  
RELATIONSHIP WITH EITHER BRAZIL OR ARGENTINA. A RECOMMENDATION IN  
FAVOR OF CONVERSION WOULD HAVE, WE ASSUME, ADVERSE REPERCUSSIONS  
IN ARGENTINA WHILE BEING WELCOMED IN BRAZIL. CONVERSELY, A  
RECOMMENDATION FOR THE DUAL-CYCLE GENERATORS, AND AGAINST  
CONVERSION -- WHICH WE ASSUME IS NOT LIKELY -- WOULD, OF COURSE,  
HAVE VERY NEGATIVE EFFECTS IN BRAZIL.

4. DEPARTMENT MAY WISH TO CONSIDER EXPLORING THE POSSIBILITY  
OF SOME KIND OF INTERNATIONAL UMBRELLA TO AVOID RISK OF  
EITHER BRAZIL OR ARGENTINA ATTRIBUTING A DIRECT ROLE IN  
THE OUTCOME OF THIS STUDY TO USG. ALTERNATIVELY, US EXPERT FROM  
PRIVATE SECTOR RATHER THAN SPECIALIST FROM USG AGENCY, FULLY PAID  
FOR BY PARAGUAYANS AND WITH USG MAINTAINING VERY LOW PROFILE  
IN HIS IDENTIFICATION AND RECRUITMENT, MIGHT BE APPROACH TO  
MINIMIZING THIS RISK.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, CONSULTANTS, ELECTRIC POWER, HYDROELECTRIC POWER PLANTS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BRASIL05769  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ASUNCION 2861  
**Retention:** 0  
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**Review Content Flags:**  
**Review Date:** 17-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1866339  
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**Status:** NATIVE  
**Subject:** GOP REQUEST FOR SERVICES OF CONSULTANT ON ELECTRIC POWER  
**TAGS:** ENRG, EAID, PA  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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